

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

LEXINGTON INSURANCE COMPANY,

Plaintiff,

- against -

DAVID FORREST and T. BEAUCLERC ROGERS IV,

Defendants.

Civil Action

No. 02-CV-4435

DECLARATION OF SCOTT M. MORY

I, Scott M. Mory, declare under penalty of perjury pursuant to 28 U.S.C. § 1746 as follows:

1. I am a member of the bar of the State of New York and am associated with the firm of Cahill Gordon & Reindel, New York counsel for plaintiff, the Lexington Insurance Company (“Lexington”). I am admitted *pro hac vice* in this action. I have personal knowledge of the facts set forth in this Declaration and, if called as a witness, could and would testify competently to such facts under oath.

2. I submit this declaration in support of Lexington’s opposition to the motions of T. Beauclerc Rogers IV (“Rogers”) and David Forrest (“Forrest”) to dismiss or stay prosecution of the Complaint filed in this Court by Lexington against them.

3. Attached as Exhibit A is a collection of true and accurate copies of correspondence reflecting defendant Forrest’s presence in California in connection with the Flashpoint enterprise on a substantial number of occasions, on what appears to be at least seven separate trips between September 22, 1997 and May 5, 1998. I am informed that this correspondence was

voluntarily produced by Flashpoint's administrators to Lexington's solicitors in the United Kingdom. The correspondence sent to and from California, usually while Forrest was a guest at the Beverly Hills Plaza Hotel, includes:

- a September 22, 1997 fax from Martin Fink ("Fink") regarding financing for a project entitled "Dish Dogs";
- a September 24, 1997 fax from Stanley Munson ("Munson"), an attorney at Tarlo Lyons, which represents Flashpoint;
- a September 25, 1997 fax from Gordon Dawson of Lloyd Thompson, regarding financial risks;
- faxes on October 13 and 14, 1997 from Gerry Bean, an attorney at Phillips Fox, regarding Hollywood Funding;
- an October 15, 1997 letter from Rosenfeld, Meyer & Susman, LLP, a Beverly Hills law firm, regarding legal services rendered to Flashpoint;
- an October 15, 1997 fax from Munson regarding Rojak Films, and was also addressed to Rogers care of the Beverly Hills Plaza Hotel.;
- an October 16, 1997 fax from Munson regarding a transfer of funds for "Dish Dogs";
- a November 18, 1997 fax from Fink regarding a project entitled "Benji";
- a November 20, 1997 fax from Award Entertainment regarding a deal memo;
- a November 21, 1997 fax from Munson;
- a January 14, 1998 fax sent by Forrest from the Beverly Hills Plaza Hotel authorizing the transfer of funds from a Flashpoint Ltd. account at Barclays Bank plc;
- a January 14, 1998 fax from Munson regarding two financial agreements pertaining to Flashpoint;
- a January 15, 1998 letter from Regent Entertainment transmitting videotapes of several films;
- a February 27, 1998 letter from Fink regarding a sales agency agreement;
- a March 26, 1998 fax from Forrest to Adam P. Davies of Tarlo Lyons;
- a March 27, 1998 fax from Munson to Forrest, and another fax from Forrest to Alice Andrade at Regent Entertainment, regarding funding for "Silent Storms";
- an April 28, 1998 fax from Munson regarding a project entitled "Eighteen Shades of Dust";
- an April 29, 1998 fax from Greg S. Bernstein of Rosenfeld, Meyer & Susman, LLP, regarding a project entitled "Eighteen Shades of Dust";
- a May 1, 1998 letter from Fink regarding a tentative second slate of films;
- a May 1, 1998 letter from Mark Drummond Brady of Lloyd Thompson, regarding Lexington's willingness to write the financial risk on Jules Verne

- a May 4, 1998 fax from Alexandra Reed of KTG Productions regarding draw downs for a project entitled “Kiss Toledo Goodbye”); and
- a May 5, 1998 fax sent by Forrest from the Beverly Hills Plaza Hotel authorizing the transfer of funds from a Flashpoint Ltd. account at Imperial Bank for “Kiss Toledo Goodbye.”

4. Attached as Exhibit B is a collection of true and accurate copies of correspondence reflecting defendant Forrest’s presence in Montreal, Canada, in connection with the Flashpoint enterprise on what appear to be two separate trips, lasting more than a week in total, in July 1998 and September 1998. Once again, I am informed that this correspondence was voluntarily produced by Flashpoint’s administrators to Lexington’s counsel in the United Kingdom. The correspondence sent to and from California, usually while Forrest was a guest at the Hotel Wyndham in Montreal, includes:

- faxes from Doug Fenton of Llyod Thompson regarding financing for Filmworks and Regent on July 27, 28, and 30, and August 4, 1998;
- a July 29, 1998 fax from Munson regarding the Jules Verne project; and
- a September 21, 1998 fax from Munson regarding Edgewood productions.

5. Attached a Exhibit C is a true and accurate copy of diary pages of Martin Fink, who was involved in various Flashpoint enterprises. The diary pages were voluntarily produced by Mr. Fink to Lexington’s counsel in the United Kingdom as part of a substantial production of documents and information in his possession in California.¹ The diary pages, which span August 24, 1998 through August 2, 2000, contain what appear to be additional references to Forrest’s and Rogers’s contacts with California, although we cannot be certain about all of them. A summary of extracts from the Fink Diaries is attached for the Court’s convenience.

Executed under penalty of perjury pursuant to 28 U.S.C. § 1746 this 23rd day of December, 2002.

/s/ Scott M. Mory
Scott M. Mory

¹ Mr. Fink, as the chief operating officer of the New Beginnings segment of the Flashpoint enterprise, is a key witness in these proceedings. He resides in California.